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ACTION ARA-01

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INFO	LOG-00	ADS-00	AGRE-00	AID-01	CIAE-00	CTME-00	DODE-00
	EB-01	EXIM-06	E-01	FRB-03	H-01	INRE-00	INR-05
	ITC-01	JUSE-00	LAB-04	NSAE-00	OMB-01	OPIC-08	SIL-01
	SP-01	STR-18	TRSE-00	USIE-00	/053W		
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FM AMEMBASSY MANAGUA

TO SECSTATE WASHDC PRIORITY 7082

INFO RUEHDC/USDOC WASHDC

AMEMBASSY SAN JOSE

AMEMBASSY TEGUCIGALPA

AMEMBASSY GUATEMALA

AMEMBASSY SAN SALVADOR

AMEMBASSY PANAMA

Dept. of State, RPS/IPS, Margaret P. Grafeld, Dir.

Release () Excise () Deny () Declassify

Date 2/27/02 Exemption _____

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DEPT PLEASE PASS DEPT OF AGRICULTURE

E.O. 12356: N/A

TAGS: ECON EAGR ETRD, NU

SUBJECT: NICARAGUAN BEEF

1. THIS CABLE CONTAINS AN ACTION REQUEST. PLEASE SEE PARAGRAPH 6.

2. SUMMARY - ON FEBRUARY 5 GON MINISTER OF AGRICULTURE

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ROBERTO RONDON EXPLAINED THAT NICARAGUA IS TAKING STEPS TO COMPLY WITH USDA'S "NEW METHODOLOGY" FOR TESTING BEEF FOR CERTAIN RESIDUES. HE NOTED THAT, AS A NEW APPLICANT FOR SLAUGHTERHOUSE CERTIFICATION, NICARAGUA IS EXPECTED TO MEET THESE REQUIREMENTS BEFORE IT CAN BEGIN EXPORTING BEEF TO THE U.S., WHILE ITS CENTRAL AMERICAN NEIGHBORS HAVE BEEN GIVEN A YEAR'S GRACE PERIOD. IT IS ESTIMATED THAT NICARAGUA COULD BE MAKING ABOUT USD ONE MILLION MORE A MONTH IF IT HAD ACCESS TO U.S. MARKETS. RONDON ALSO CITED THE DIFFICULTIES IN KEEPING SLAUGHTERHOUSES OPEN WHICH NORMALLY CLOSE FOR THE DRY SEASON. HE IS KEEPING THEM OPEN SO THAT USDA CAN INSPECT THEM. HE ASKS THAT USDA CONSIDER A GON PROPOSAL TO SEND SAMPLES TO THE U.S. FOR TESTING UNTIL NICARAGUA CAN INSTALL ITS OWN RESIDUE TESTING EQUIPMENT AND THAT A USDA TEAM VISIT NICARAGUA DURING THE FIRST TWO WEEKS OF FEBRUARY TO INSPECT SLAUGHTERHOUSES WHICH PROCESS MEAT FOR EXPORT. - END SUMMARY

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3. ON FEBRUARY 6 ECONOFF MET WITH MINISTER OF AGRICULTURE ROBERTO RONDON AND HEAD OF THE GON NICARAGUAN MEAT COMPANY ENRIQUE MIRANDA TO DISCUSS PROGRESS IN RECERTIFYING NICARAGUAN SLAUGHTERHOUSES TO EXPORT BEEF TO THE U.S. AFTER RETURNING FROM A VISIT TO USDA FACILITIES IN ST. LOUIS IN JANUARY, A GON TECHNICIAN LEARNED THAT NICARAGUAN SLAUGHTERHOUSES WOULD HAVE TO EMPLOY METHODS OF TESTING MEAT FOR RESIDUES OF SULFA DRUGS, CLOROPHENICOL, AND HORMONES IN ORDER TO COMPLY WITH U.S. STANDARDS. RONDON SAID THAT HIS MINISTRY IS IN THE PROCESS OF "SEEKING PRICE QUOTES" FOR THE EQUIPMENT THE GON WILL NEED TO BUY TO

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COMPLY WITH THESE REQUIREMENTS. HE ADDED THAT THIS IS THE ONLY REMAINING REQUIREMENT TO BE FULFILLED BEFORE THE NICARAGUANS WILL BE READY FOR A USDA TEAM TO COME AND INSPECT THE SLAUGHTERHOUSES.

4. NEVERTHELESS, RONDON SAID THAT THE PROCESS OF IMPLEMENTING THE NEW METHODOLOGY, SAID TO HAVE BEEN INTRODUCED IN OCTOBER 1990, COULD TAKE 3 TO 5 MONTHS. RONDON NOTED THAT OTHER CENTRAL AMERICAN COUNTRIES, COSTA RICA FOR EXAMPLE, HAVE BEEN GIVEN A ONE YEAR GRACE PERIOD STARTING OCTOBER 1990 TO COMPLY WITH THE NEW PROCEDURES. AS A NEW APPLICANT, HOWEVER, IT APPEARS THAT NICARAGUA MUST COMPLY WITH THE PROCEDURES BEFORE IT CAN BE ALLOWED TO BEGIN EXPORTING BEEF TO THE U.S. RONDON HAS ASKED MIRANDA TO SEEK AN APPOINTMENT WITH USDA/FSIS DEPUTY ADMINISTRATOR PATRICIA STOLFA TO REQUEST THAT NICARAGUA BE ALLOWED TO SEND SAMPLES TO THE U.S. FOR TESTING UNTIL IT CAN INSTALL ITS OWN EQUIPMENT. HE ASKS THAT A USDA TEAM VISIT NICARAGUA DURING THE FIRST TWO WEEKS OF FEBRUARY TO INSPECT SLAUGHTERHOUSES WHICH PROCESS MEAT FOR EXPORT.

5. RONDON CITES THE FOLLOWING PROBLEMS:

- THE GON WOULD LIKE USDA TO INSPECT ALL FIVE OF ITS SLAUGHTERHOUSES WHICH PROCESS BEEF FOR EXPORT. THREE OF THESE PLANTS ARE NORMALLY CLOSED BY THIS TIME. THE DRY SEASON IN NICARAGUAN LASTS FROM DECEMBER TO MAY. DURING THIS PERIOD PASTURE GROWS EVER MORE SCARCE AND THE ANIMALS USUALLY LOSE WEIGHT. OWNERS WAIT UNTIL THE RAINS BEGIN IN LATE MAY AND THE ANIMALS GET FATTENED UP

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AGAIN TO SEND THEM TO THE SLAUGHTERHOUSES. RONDON SAYS THAT HE HAS KEPT THE PLANTS GOING AT REDUCED LEVELS - ONE PROCESSED 850 ANIMALS IN JANUARY, NORMALLY A WEEK'S WORK - BECAUSE HE WOULD LIKE USDA TO INSPECT THEM ALL.

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- MIRANDA ESTIMATES THAT NICARAGUA COULD BE MAKING ABOUT USD ONE MILLION MORE A MONTH IF IT HAD ACCESS TO U.S. MARKETS. HE SAID THAT WITH FRESH COW MEAT SELLING FOR USD 1.22 A POUND IN MIAMI, NICARAGUA COULD SAVE

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FM AMEMBASSY MANAGUA

TO SECSTATE WASHDC PRIORITY 7083

INFO RUEHDC/USDOC WASHDC

AMEMBASSY SAN JOSE

AMEMBASSY TEGUCIGALPA

AMEMBASSY GUATEMALA

AMEMBASSY SAN SALVADOR

AMEMBASSY PANAMA

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E.O. 12356: N/A

TAGS: ECON EAGR ETRD, NU

SUBJECT: NICARAGUAN BEEF

EIGHT CENTS PER POUND IN TRANSPORTATION COSTS (OVER SHIPPING COSTS TO CANADA) AND GET 12 CENTS MORE A POUND IN PRICE (AGAIN OVER CANADA). TWENTY CENTS A POUND TIMES 5-6,000,000 POUNDS A MONTH EQUALS APPROXIMATELY

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USD ONE MILLION IN ADDITIONAL EARNINGS. MIRANDA AND RONDON SAID THAT 90 PERCENT OF NICARAGUAN BEEF PRODUCERS ARE PRIVATE.

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- LASTLY RONDON SAYS THAT THE DELAY IN ACCESS TO THE U.S. MARKET IS DELAYING PLANS TO PRIVATIZE THE SLAUGHTERHOUSES. TWO OF THE FIVE, HE SAID, COULD "EASILY BE RETURNED" TO THEIR FORMER OWNERS, SINCE THEY WERE STOLEN BY THE SANDINISTA GOVERNMENT IN ITS JULY 19, 1981 "PINATA", IN CELEBRATION OF THE SECOND ANNIVERSARY OF THE REVOLUTION (IN WHICH EXACTLY 19 ENTERPRISES WERE SEIZED). NONETHELESS, THE FORMER OWNERS ARE RELUCTANT TO TAKE BACK THE PLANTS WITHOUT ACCESS TO THE U.S. MARKET. HE SAID THAT THE GON ALSO PLANS TO PRIVATIZE THE SLAUGHTERHOUSE FORMERLY OWNED BY DICTATOR ANASTASIO SOMOZA.

6. - ACTION REQUESTED - PLEASE RELAY MINISTER RONDON'S REQUEST THAT DEPUTY ADMINISTRATOR STOLFA RECEIVE MIRANDA TO CONSIDER THE NICARAGUAN PROPOSAL. WE UNDERSTAND THAT THE GON HAS MADE THIS REQUEST THROUGH ITS EMBASSY IN WASHINGTON. ALSO, PLEASE PROVIDE AN UPDATE ON PROGRESS IN WASHINGTON.

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